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Quebec and Lake St. John R. R. Office,

QUEBEC, 13TH FEBY., 1874.

To
His Worship the Mayor,
and Members of the City Council,
of Quebec.

GENTLEMEN,

The subject brought under your consideration yesterday evening—a Railway communication between this City and the Valley of the Lake St. John—is of deep importance to this District, and more especially to this City.

The Quebec and Gosford Railway was the *first* road built under the Wooden Railway Act of 1869, and was undertaken with the view of eventually extending the Road to Lake St. John. A sum of over \$200,000 has already been expended on this road. The Legislature, recognizing the importance of this Railway communication, undertook the location of the line to the Lake at the public expense; and by the Act, Vie 35. c. 35, conferred upon this Company a land-grant of 1,200,000 acres to assist in the building of this Road; the Company having, likewise, by amendments to its Act of Incorporation, obtained the necessary powers to this end. Negotiations were entered into in England, with the view of raising the necessary capital for the construction of the entire line of Railway, based upon the security of the above-named land-grant; but these negotiations were not brought to a successful issue, an additional money-basis having been declared indispensable. Since then, the Company, through Mr. John Ross, of Quebec, have renewed negotiations to this end; and last summer an arrangement was arrived at which secured the immediate construction of the first section of the Road from the Palais Harbour to St. Raymond, a distance of about 45 miles. But, owing to the Company not having been able to secure the acceptance, on the part of the Government, the City of Quebec, and the Municipality of St. Raymond, of the conditions laid down by Mr. John Ross, this agreement fell through. After some further negotiations, the Company received, on the 10th Nov. last, two letters from Mr. Ross, stating the conditions upon which the necessary capital, estimated at \$3,500,000, to build the Company's road, complete, had been secured. These conditions (in so far as related to the Government) were embodied in a memorandum dated 25th Nov. last, signed by the President, Vice-President, and the Mayor of the City of Quebec, *ex-officio* Director, and were duly submitted to the Government, with the view of being carried out in the Railway Policy which it was then generally understood the Government would submit to Parliament.

The memorandum and letters above referred to are annexed.

The Board of Directors have much pleasure in observing, that the vast importance of this Railway communication between Quebec and Lake St. John, with the view of throwing open to settlement one of the most important sections of this Province, has been fully recognized by Parliament; and in the course of the debate on the Resolutions relative to Railways, assurances from all quarters were given that the measure of aid applied for will be extended to this Company at the next Session of Parliament.

The Board recognize, also, with pleasure, the expressions of deep interest manifested by the members of the City Council during the interview of last evening.

The Railway Legislation of the last Session has made it a matter of vast importance that this Company should commence the construction of its Road immediately, and for the following reasons:

First.—Because this Company, unless it commences operations within the year, under the terms of the present Railway Act, will lose the benefit of sharing in

the moneys lapsing from the Companies to be struck from the list owing to their failure in complying with the provisions of the above-named Act; whereas, should operations be commenced this Spring, from the declarations of the Government, and without any increase in the Railway Policy, but simply from the fact of a large amount of money, now appropriated, remaining in the Treasury, owing to several Companies which it is known cannot, for various reasons, proceed with their works, this Company will meet with no difficulty in obtaining, at the next Session of Parliament, the measure of aid which it has prayed for, and which will enable it to secure the necessary capital to assure the construction of its entire line of Railway.

Second.—It is, likewise, of moment that the Company should profit by the present state of the money-market, which is favorable, but which may not be so at a later period.

Third.—Again, it is of the very highest importance that the Company should meet Parliament at the next Session with the First Section of its Road built and in operation. Such being the case, public opinion and the capital interested in the enterprise will secure the necessary legislation to ensure the entire line of Railway. This must be evident at a glance. In fact, the immediate construction of the First Section of the Road, practically speaking, assures the gradual and ultimate construction of the entire Railway.

The question, therefore, now arises: How shall the immediate construction of this First Section of the Road be secured? An acceptance, by the City Council, of the offer contained in Mr. Ross's letter under date of 10th November last, will materially contribute to this result. The passage of a resolution embodying this acceptance will enable the Company to ask and receive from the Executive of this Province a declaration to the effect that the Government will, at the next Session of Parliament, submit a resolution embodying the terms contained in Mr. Ross's letter, also under date of 10th Nov. last. But without this action on the part of the City Council, the Board are not in a position to approach the Executive. With the above-mentioned resolution on the part of the City Council, and with the declaration of the Government, this Company will be in a position to secure the immediate construction of the First Section of the Road to St. Raymond.

If the construction of this Railway be not undertaken without delay, there is danger of the Valley of Lake St. John, the natural back-country of this City, being brought into direct communication with Montreal by a branch-line of the Northern Colonization Railway, *via* St. Jerome, through La Tuque, to Lake St. John; whereas this Company, by immediately commencing operations, will eventually centre in this City the trade of the two most important sections of this Province, the Valley of Lake St. John and the District of St. Maurice, by means of a short branch from the main line to La Tuque.

It has been estimated that probably one-fifth of the agricultural lands of this Province are situated in the Valley of the Lake St. John: the soil is proverbially productive and the climate mild; and it has been computed that a population of some 300,000 souls can be therein located.

The importance, therefore, to this City, of opening up and controlling the trade of these sections of the Province, cannot be over-estimated.

Estimates of the probable Cost of the Construction of the First Section of the Road; also, of the probable Traffic, Income, and Expenditure, are annexed.

The advantages that would accrue to the City, in return for the amount of assistance sought for, are as follows:

First.—In the expenditure to be incurred in the building of this section of the Road, and in its working;

Second.—In the expenditure to be incurred in the gradual construction and working of the entire line of Railway to La Tuque and to Lake St. John. The Road from St. Raymond will be built in sections of from 25 to 30 miles, and the sections, as soon as completed, will be opened to traffic. The traffic will consist chiefly in lumber, which exists in inexhaustible quantities, and of all kinds, and will tax the working powers of the Road to the uttermost, whilst the country is being opened up for colonization. The supplies for the lumbering district of the St. Maurice will mostly pass over this line, direct from Quebec, and thus largely increasing the local trade of this City; the cost of the transport of these supplies, by this line of Railway, as compared with the present route via Three Rivers, being most materially reduced;

Third.—In the cheapening of the cost of fuel, one of the most important items of local consumption, estimated at about 100,000 cords annually. The quantity of fuel in the district traversed by this Road being inexhaustible, and the consumption being as stated, this item of traffic becomes a simple question of manufacture and transport. Supposing, therefore, that there be brought into this City, over this first section of the Road, 30,000 cords only annually, being at the rate of 100 cords per day, a large reduction in the price of this article must, of necessity, take place; and as, from known data, fuel at the rate of \$4 per cord can be delivered in the Palais Harbour, and as the price of fuel may be safely said to average \$6 per cord, a saving of \$1 per cord is not an exaggerated estimate. This would equal an annual saving of \$100,000 to the citizens. It may be objected that this inducement was held out when the Gosford road was first projected, and has never been fulfilled. But the answer is easy and peremptory, the reasons being that the producers of firewood were, for the most part, employed on the Intercolonial and other Railways; the demand for labour being in excess of the supply; also, that the road was never properly finished-up and equipped; and, finally, that the *Dépôt* at St. Sauveur being at too great a distance from the City, the cost of cartage was altogether out of proportion to the cost of production;

Fourth.—Likewise, in the increase in the value and the rental of the City property situated in and near the Palais Harbour: this increase cannot be denied unless all Railways are a delusion. The Company locating the terminus of their Road in the Palais Harbour, will require accommodation, and will be prepared to lease a portion of the City property there situated, and pay a fair rental for the same.

What does this Company seek from the Corporation of the City of Quebec?—a Bonus of **\$2,500** per mile of Road, or a sum of about **\$100,000** for the first section of its Road, entailing an annual charge on the City Treasury of about **\$7,000**.

Apart from the ultimate advantages which will accrue to the City from the working of a line of Railway starting from La Tuque and Lake St. John, and terminating in the chief seaport of the Dominion, and but simply taking into account the benefits which must result from the working of this first section of the Road, can there be any reasonable hesitation in acceding to the prayer of this Company? Is it not beyond a doubt but that the return will cover the annual charge of **\$7,000**—nay, ten-times that amount!! It is admitted, and the stupendous efforts that are being made all over the world to foster Railway enterprise attest the soundness of the universal belief, that no country can prosper without sure, rapid, easy, and cheap means of transport. It is to be sincerely hoped that the City Council will hasten to co-operate with this Company in securing the construction of this most important line of Railway.

I have the honor to be,
Gentlemen,

Your most obedient servant,

M. W. BABY,
PRESIDENT.

QUEBEC, 26th November, 1873.

(Copy.)

The Honorable

GÉDÉON OUMET,

Premier, &c., &c., &c.

Sir,

I have the honor to transmit, herewith, a memorandum signed by the Hon. Mr. Chinic, the Mayor of Quebec, and myself, on behalf of the Board of Directors of the Quebec and Lake St. John Railway Company, and to request that the same be laid before the Honorable the Executive Council.

I have the honor to be, Sir,

Your obedient servant

(Signed,) M. W. BABY.

QUEBEC, 26th November, 1873.

The undersigned, on behalf of the Board of Directors of the Quebec and Lake St. John Railway Company, beg to submit, for the consideration of the Honorable the Executive Council :

That the importance of a Railway communication between Quebec and Lake St. John has been, since years, universally recognized,

And has been admitted by Parliament, as evidenced in its legislation in favor of this Railway ;

That this Railway will throw open to colonization one of the most fertile and important sections of this Province, a territory capable of supporting a population of over a quarter of a million of souls, and now completely isolated,

And will immensely enhance the value of the public domain in this part of the Province, and will draw forth numberless sources of wealth at present dormant ;

That the pressing necessity of this Railway communication is conceded on all hands : the inhabitants settled in the Valley of Lake St. John, despairing of being brought within easy communication of Quebec, and seeing no inducements held out to open up the country, are already commencing to emigrate from this section of the Province ;

That the only means to be resorted to, with success, to secure the development of the Province, and of this section in particular, is the fostering of Railway enterprise,

And the stupendous efforts being made all over the world to encourage Railway works, attest and confirm the truth of the assertion ;

That the Board have received assurances that the capital required to build their road, estimated at over \$20,000 per mile, can and will be raised, provided the Government will accept either one of the two following financial bases :

1st.—The Government to grant a Bonus of \$5,000 per mile of Railway, payable for each and every ten miles of road built, and in Debentures bearing six per cent. interest, and redeemable in forty years ; or,

2nd.—The Government to resume the land-grant of 1,200,000 acres, and in lieu thereof to subscribe Stock in the Company's capital to the extent of \$10,000 per mile of road, payable as stated above.